

Debtors' Ex. 70

(House Bill 3482)

ACT No. 161
JULY 5, 2003

To authorize the Issuance of Bonds of the Commonwealth of Puerto Rico in a principal amount not to exceed five hundred forty million (\$540,000,000) dollars and the issuance of promissory notes in anticipation of bonds to cover the cost of necessary public improvements and the cost of the sale of said bonds; to provide for the payment of principal and interest on said bonds and promissory notes; to authorize the Secretary of the Treasury to make temporary advances from the General Fund of the Treasury of the Commonwealth to be applied to the payment of the costs of said improvements and said sale of bonds; to grant to the Secretary of Transportation and Public Works and other agencies and instrumentalities of the Commonwealth the power to acquire necessary real and personal property and to exercise the power of eminent domain and to exempt from the payment of taxes on said bonds and promissory notes and the interest thereon.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Article 1. The Secretary of the Treasury is hereby authorized to issue and sell, at one time only or from time to time, bonds of the Commonwealth of Puerto Rico in a principal amount not to exceed five hundred forty million (\$540,000,000) dollars, for the purpose of covering the cost of the necessary public improvements hereinafter enumerated, including acquiring necessary land or rights to land and equipment for the same, preparing plans and specifications, the costs of sale of bonds and promissory notes issued in anticipation thereof, and all other necessary expenses in connection with the acquisition or construction of such improvements.

The public improvements and costs of sale of the bonds to be financed under this Act and the estimated amounts of bond proceeds to be applied to each such improvement and costs by major item of expenditure are as follows:

I	Transportation and Communications Facilities	\$49,570,000
II	Water and sewerage facilities	10,000,000
III	Hospital, School, Social Welfare facilities, Health and Labor	32,436,000
IV	Agricultural and Tourist Facilities	22,649,000
V	Parks and Other Facilities Construction and Improvements Recreational and Cultural	40,355,000

VI	Development of Flood and Solid Waste Control Projects	40,728,000
VII	Costs required for the 2004 Bond Issuance	3,500,000
VIII	Construction of Municipal Works	83,090,000
IX	Construction Works	98,339,000
X	Construction, Subsidies and Home Improvements	97,000,000
XI	Development of Law and Order Maintenance, Correction and Administration of Justice Projects	35,333,000
XII	Extraordinary Maintenance Fund	<u>27,000,000</u>
TOTAL		<u>\$540,000,000</u>

In connection with the acquisition and construction of public works, the Secretary of the Treasury is hereby authorized to pay all costs incurred in connection with the issuance of bonds and promissory notes authorized by this Act, including those costs related to insurance, letters of credit or other instruments used to lower the cost of financing. Any discount, commitment or syndication fee or similar fee payable on account of the issuance of bonds and promissory notes shall be included in calculating the price or prices at which such bonds and promissory notes may be sold, pursuant to the provisions of this Act.

Article 2(a). The bonds to be issued from time to time under the provisions of this Act, as well as any other details thereof, shall be authorized by Act or Acts to be adopted by the Secretary of the Treasury and approved by the Governor. Said bonds shall be designated as "Public Improvement Bonds of the Commonwealth of Puerto Rico for the Year 2004."

- (b) The bonds authorized to be issued under the provisions of this Act shall be dated, shall mature on a date or dates not to exceed thirty (30) years from their date or dates (except for bonds referring to public housing which shall not mature later than forty [40] years from their date or dates), shall bear interest at a rate or rates not to exceed those legally authorized at the time of issuance of said bonds, at the option of the Secretary of the Treasury may be made redeemable prior to their maturity, may be sold with or without premium, shall be of such denomination and in such form, with interest coupons or registered at both, shall have such registration and conversion privileges, shall be executed in such manner, shall be payable at such places within or outside of the Commonwealth of Puerto Rico, and shall contain such other terms and conditions as may be provided by the authorizing Act or Acts.

- (c) The bonds authorized by this Act may be sold all at once or from time to time, in public or private sales, and for such price or prices of no less than the price or prices legally established at the time of issuance thereof as the Secretary of the Treasury, with the approval of the Governor, may determine to be in the best interests of the Commonwealth of Puerto Rico.
- (d) Whenever any officer whose signature or facsimile appears on any bond or coupon authorized by this Act shall cease to hold office prior to the delivery of such bonds, such signature or facsimile shall nevertheless be valid and sufficient and shall be considered for all purposes as if the officer had remained in office until said delivery. In addition, any bond or coupon may bear the signature or facsimile of those persons who at the time of execution of said bond are the proper officers to sign said bond, but who at the date of the bond such persons were not occupying such position.
- (e) Bonds issued pursuant to the provisions of this Act shall be considered negotiable instruments under the laws of the Commonwealth of Puerto Rico.
- (f) The bonds authorized by this Act may be issued in coupon form or in registrable form, or in both forms, as determined by the authorizing Act or Acts, and provision may be made for the registration of any bonds or coupons as to principal only and also as to principal and interest and for the reconversion of coupon bonds from any bonds registered as to principal and interest.

Article 3. The Secretary of the Treasury is hereby authorized, with the approval of the Governor, to negotiate and grant with any bank, investment house or other financial institution, such loan contracts, purchase agreements or other financing agreements as may be necessary for the sale of the bonds or bond anticipation promissory notes authorized to be issued in Article 5 of this Act, under such terms and conditions as the Secretary of the Treasury may determine to be in the best interests of the Commonwealth of Puerto Rico.

Article 4. The good faith, credit and taxing power of the Commonwealth of Puerto Rico are hereby irrevocably pledged for the timely payment of the principal and interest on the bonds issued under the provisions of this Act. The Secretary of the Treasury is hereby authorized and directed to pay the principal and interest on said bonds, as same become due, from any funds available for such purpose in the Treasury of the Commonwealth of Puerto Rico in the fiscal year in which such payment is required, and the provisions contained in this Act relating to the payment of the principal and interest on said bonds shall be deemed a continuing appropriation for the Secretary of the Treasury to make such payments even if no specific appropriations are made for such purposes. Such payments shall be made in accordance with the provisions of the laws of the Commonwealth of Puerto Rico governing the disbursement of public funds.

The Secretary of the Treasury is hereby authorized and directed to include in the authorizing Act or Acts the pledge hereby made by the Commonwealth of Puerto Rico and to specify in the bonds that the good faith, credit, and taxing power of the Commonwealth of Puerto Rico are hereby pledged.

Article 5. In anticipation of the issuance of bonds, the Secretary of the Treasury, by resolution approved by the Governor, is hereby authorized at any time, or from time to time, to borrow money and issue promissory notes of the Commonwealth of Puerto Rico payable solely from the proceeds of said bonds.

Said promissory notes shall be designated "Commonwealth of Puerto Rico Bond Anticipation Promissory Note" and it shall be stated thereon that they are issued in anticipation of the issuance of said bonds.

Such promissory notes, including any renewals or extensions thereof, shall be dated, may be issued from time to time with a maturity not to exceed five (5) years from the date of first issuance, shall bear interest at a rate not to exceed that legally authorized at the time of issuance of such promissory notes, may be made redeemable prior to maturity at the option of the Secretary of the Treasury, shall be executed in such form and may be sold in private or public sales at such price or prices of no less than the price established by law at the time they are issued and shall contain such other terms and conditions as may be provided in the authorizing Act or Acts adopted by the Secretary of the Treasury and approved by the Governor.

Article 6. The good faith, credit and taxing power of the Commonwealth of Puerto Rico shall be irrevocably pledged for the timely payment of interest on any promissory notes issued pursuant to the provisions of this Act. The Secretary of the Treasury is hereby authorized and directed to pay the interest on such promissory notes as the same become due from any funds available for such a purpose in the Treasury of the Commonwealth of Puerto Rico during the fiscal year in which said payment is required. The provisions contained in this Act relating to the payment of interest on the promissory notes in anticipation of the issuance of bonds shall be deemed a continuing appropriation for the Secretary of the Treasury to make said payments even if no specific appropriations are made for such purposes.

The Secretary of the Treasury shall, in accordance with the provisions of this Act, issue bonds in sufficient time and in the amount necessary to provide the funds required to pay the principal of the promissory notes as the same become due and payable and shall apply the proceeds of the issuance of the bonds to the payment of said notes.

Any payments to be made with respect to the promissory notes in anticipation of the issuance of the bonds will be made in accordance with the provisions of the Laws of the Commonwealth of Puerto Rico governing the disbursement of public funds.

Article 7. The proceeds from the sale of the promissory notes and bonds issued under the provisions of this Act (other than the proceeds of the bonds required for the payment of the principal of said promissory notes) shall be paid into a special fund called the "2004 Public Improvement Fund" and shall be disbursed in accordance with the statutory provisions regulating the disbursement of public funds and for the purposes provided herein.

Article 8. The Secretary of the Treasury is hereby authorized to make provisional advances of any funds available in the Public Treasury of the Commonwealth of Puerto Rico to be applied to defray the cost of the public works authorized to be financed with the proceeds from the sale of the bonds issued under the provisions of this Act. From the first monies available in the 2004 Public Improvement Fund, the Secretary of the Treasury shall reimburse any provisional advance made.

Article 9. The Secretary of the Treasury, in accordance with the determinations of the Director of the Office of Management and Budget and with the approval of the Governor, is hereby authorized to apply any money appropriated under this Act, and which is not needed for the purposes herein contemplated, to carry out any other permanent public improvements approved by the Legislature and any that are pending from the General Fund.

Article 10. The acquisition and construction of the public improvements authorized to be financed with the proceeds from the sale of the bonds issued under the provisions of this Act shall be carried out in accordance with the plans approved by the Planning Board pursuant to the provisions of Act No. 75 of June 24, 1975, as amended, known as the "Organic Act of the Planning Board of Puerto Rico," and subject to subsequent approval by the Government of Puerto Rico.

Article 11. The Secretary of Transportation and Public Works and the agencies and instrumentalities of the Commonwealth of Puerto Rico in charge of the programs for which the proceeds from the sale of the bonds issued under the provisions of this Act are to be applied, are hereby authorized and empowered to acquire in the name of the Commonwealth of Puerto Rico or in the name of said agency or instrumentality, as the case may be, by donation, purchase, or exercising the right of eminent domain in accordance with the laws of the Commonwealth of Puerto Rico, any land or rights to land and interest therein, and to acquire such movable property or equipment as they may deem necessary to carry out the issuance and sale of said bonds.

Article 12. Such amount as may be necessary shall be allocated from the proceeds of the sale of the bonds issued under the provisions of this Act, to be applied to the payment of the expenses incurred in connection with the issuance and sale of said bonds, including those expenses related to insurance, letters of credit or other instruments used to reduce the cost of financing.

Article 13. From the proceeds of the sale of the bonds issued under the provisions of this Act, the amount of twenty-seven million (\$27,000,000) dollars shall remain in the custody of the Office of Management and Budget, until the Interagency Committee for the Evaluation and Approval of Extraordinary Maintenance Proposals claims its income from the Extraordinary Maintenance Fund, both created by Act No. 66 of August 14, 1991, as amended.

Article 14. All bonds and notes issued under the provisions of this Act, as well as the interest accrued thereon, shall be exempt from the payment of all taxes imposed by the Commonwealth of Puerto Rico and its instrumentalities.

Article 15. This Act shall become effective immediately upon being passed.

Speaker of the House

President of the Senate



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TRANSLATOR'S CERTIFICATE OF TRANSLATION

Translation from: Spanish (Puerto Rico) into English (US)
TARGEM Translations Inc.

I, Andreea I. Boscor, ATA-certified Spanish-English #525556, acting as translator at TARGEM Translations Inc., a NEW YORK City corporation, with its principal office at 185 Clymer Street, Brooklyn, NY, 11211, USA, certify that:

the English translated document is a true and accurate translation of the original Spanish and has been translated to the best of my knowledge.

Original Document Name: **Act 161 approved 7.5.2003**

Signed this 8th day of October, 2021



Verify at www.atanet.org/verify

A handwritten signature in blue ink, appearing to read 'Andreea I. Boscor'.

Andreea I. Boscor

